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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Before the  
**Federal Communications Commission**  
Washington, D.C. 20554

In the Matter of	)	
	)	
Program to Monitor Impacts of	)	CC Docket No. 96-45
Universal Service Support	)	CCB-IAD File No. 98-101

**COMMENTS**

BellSouth Corporation, on behalf of itself and its affiliates, (BellSouth) hereby submits its comments in response to the Public Notice seeking comment on a program to monitor the impacts of universal service support mechanisms.<sup>1</sup> Specifically the Public Notice seeks comment on a Commission developed monitoring program that is intended to enable an assessment and evaluation of the new universal service mechanisms. These comments are limited to the new proposed sections of the monitoring report concerning schools and libraries and rural health care.

BellSouth supports the Commission's decision to include two new sections in the Monitoring Report (a Schools and Libraries Support Section and a Rural Health Care Providers Support Section). As a contributor to these support mechanisms as well as a potential service provider, BellSouth appreciates the opportunity to comment on the content that is appropriate for inclusion into these two new sections. The Monitoring Report should play an important role both in tracking trends and targeting areas for improvements in these two programs in future years.

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<sup>1</sup> "Common Carrier Bureau Seeks Comment On Program To Monitor Impacts Of Universal Service Support Mechanisms," Public Notice (DA 988-580), CC Docket No. 96-45, CCB-IAD File No. 98-101, released April 24, 1998 ("Public Notice").

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The recommendations set forth below will serve the Commission's public policy goals by providing pertinent information for public review and Commission tracking.

**A. Schools and Libraries**

BellSouth agrees with the Commission's concept of the Schools and Libraries Support Section. As an advocate for quality education, BellSouth has long recognized the important role that information and telecommunications technology and services may play in the future of American schools. BellSouth is second to none in its support of education. We have supplied almost \$300 million in telecommunications products, services, discounts and other support to schools so far this decade, including \$25 million and more than 3,400 volunteers to NetDay activities in 1997 to wire more than 6,200 schools in the Southeast. The discounts on telecommunications services provided through universal service support will continue contributing to the improvement of American education.

Data reported in the Schools and Libraries Section should prove helpful in assessing the impact of this program on the nation's education system and its school children. The Commission suggests this section include "data on the schools, libraries or other qualified groups receiving discounts, on the carriers and non-carriers receiving reimbursement, and on the level of funding provided for the supported services."<sup>2</sup> BellSouth believes that data which can be extracted from school and library application forms or gathered from audits of eligible entities would be most useful in addressing the Commission's concept.

The Commission seeks comment on how much data should be included from the schools and libraries application forms. BellSouth suggests that data included on these application

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<sup>2</sup> Public Notice at ¶ 30.

forms be reported by major category of service provided – Telecommunications Service, Internal Connections, and Internet Access Service. In addition to total funding amounts associated with each individual category, it would be useful to have a breakdown for each service category by size of funding request in a manner similar to that reported in the May 18, 1998 letter from the Schools and Libraries Corporation (SLC) to the Commission. However, care should be given to ensure funding amounts are reported for each service category on a per applicant basis, rather than solely by line item listed on each applicant's Form 471.

Within each major category, the Commission should consider listing data by type of service or product. For example, within the Telecommunications Service category, data could include the percentage that schools/libraries are leasing of different speeds or types of service, such as, 1.544Mbps service vs. 45Mbps service, or frame relay service vs. basic exchange "Plain Old Telephone Service". As the Commission begins to exercise its responsibilities under Section 706 of the Telecommunications Act, this level of detail would support Commission efforts to track access to advanced telecommunications service in schools by establishing a baseline for such services.

For the Internal Connections category, data should be reported according to each item or product. Sub-categories of reporting data would include an equipment category, an inside wire category, and a maintenance category. For example, the monetary value of total support (value of discounts) would be reported for routing equipment (hubs, routers, servers) and for PBXs. A separate amount would be reported for actual inside wiring. The data could also include the amount of funding associated with one time non-recurring charges versus ongoing monthly charges. The amount of support associated with maintenance charges would be reported as a separate data classification.

By reporting data according to this level of breakdown, the Commission and the public would be able to determine the amount of support by different categories of equipment or service as well as the support associated with the necessary components. It would also allow comparison to other independent efforts that support education, such as NetDay activities which provide inside wiring to schools at no charge.

BellSouth also recommends the Commission consider the Monitoring Report include data collected from SLC audits of schools, libraries and consortia. Although this data may be less comprehensive than data collected from actual application forms, this type of data could provide useful information for purposes of monitoring the effectiveness of the program. For example, many disadvantaged schools will be part of a larger unit, such as a district (or other type consortia). As the Commission itself notes, it may be difficult to track what services and percentage discount benefits these individual schools or libraries are actually receiving from the program. Since consortia applications are likely to be routinely audited, along with the cost allocation procedures that consortia are using to allocate the benefits among their individual schools and libraries, such data could provide useful information as to whether the discounts are reaching disadvantaged schools individually in the manner in which they are intended.

Other data that BellSouth recommends be collected from schools and libraries would be information that enables an evaluation as to whether the support program is having an impact on the quality of education. This impact may be measured in terms of such factors as higher test scores, less absenteeism and more community involvement. While the education community might best determine which measures best reflect achievements in education, attempting to monitor these trends will facilitate an ongoing evaluation of the effectiveness of the support program. The establishment of baseline educational results data along with technical data for the

1998 funding year applicants, which is then updated in each funding year, permits the effectiveness of the support program to be assessed as to whether the program achieves the desired education results.

The Commission should also consider including data on the percentage of eligible schools and libraries in each state that are participating in the program versus those that are not participating. Data could include the potential discount percentages (from the matrix) of those schools/libraries that are not participating. For schools and libraries participating in the program, data could be reported by state for the number of entities receiving discounts for each percentage discount level in the Commission's discount matrix. Again, collecting this data at the outset would allow tracking of participation trends over time, would enable targeting of outreach efforts, and would help to identify ways in which the program can be improved to increase participation.

The Commission also seeks comment on the level of detail it should "report for those companies providing services to schools and libraries and thus receiving reimbursement from the support mechanism."<sup>3</sup> The Commission suggests that it could report the total amount of support received by each providing company, or alternatively, it could specify the amount of support received by each providing company for individual contracts. BellSouth strongly opposes reporting reimbursements by contract. Not only would reporting data by contract be voluminous without any attendant benefit, but also it would involve establishing procedures to assure the protection and nondisclosure of proprietary and sensitive competitive information. Alternatively, reporting disbursement by service provider category and by company would seem appropriate.

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<sup>3</sup> *Id.* at ¶ 31.

In addition to reporting data by company, the total amount of support associated for each *state* should also be reported. This would show any disproportionate distribution of funds, and enable the Commission to focus additional outreach efforts.

#### **B. Health Care Providers Support**

The Commission requests comments on similar issues for the Rural Health Care support program. Of course, it must first be recognized that this program is different from the schools and libraries program. The schools and libraries support program provides discounts on telecommunications services. It also includes non-telecommunications services such as “internet access service” and “internal connections.” In contrast, the rural health care support program is limited to support for telecommunications services provided by Eligible Telecommunications Carriers and is based on comparison of urban versus rural rates for similar telecommunications services.

BellSouth agrees with the Commission that information should be provided for each eligible health care provider participating in the program and the amount of support allocated on behalf of that health care provider. When reporting this information, the Commission should use the classifications listed in the Commission’s rules<sup>4</sup> to provide identification of the type of health care provider receiving support.

As in the case of schools and libraries, it is appropriate to report the actual type of telecommunications services being supported. It would also be desirable to report the quantity of eligible telecommunications service items composing that support. Since support is provided on a per location basis, it would likewise seem appropriate to report data by eligible health care

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<sup>4</sup> 47 C.F.R. § 54.601(a).

provider location for both the type of service and the amount of fund support for each location. Multiple eligible locations associated with a single eligible entity could be listed separately under the main entity so that a more complete accounting can be obtained as to which health care entities are participating and receiving the benefits of the program. As in the schools and libraries section, the total amount of monetary support should be calculated for each *state* to determine where program benefits are flowing and where additional outreach efforts may be most appropriate.

The Commission should consider including data reflecting the name and location of health care entities receiving support because they do not have toll-free access to an Internet Service Provider. This would allow determination as to where efforts should be placed in providing such toll-free access.

Data could also be reported as to the effectiveness of this support program in terms of providing more complete, efficient and cost-effective health care. This type of measurement would seem appropriate since the program is designed to ultimately provide better health care to the American public living in rural areas. This is an area that the Commission may wish to consult with the health care industry to determine which program data is most appropriate to measure in terms of health care effectiveness.

Likewise, as in the case of schools and libraries program, the Commission may want to determine whether there is additional information that could be collected from audit reports that would facilitate monitoring the impact of this program on health care entities, service providers, program contributors and the public. There may be elements of the audit reports that could highlight trends in the program that are worthy of monitoring.


The amount of funds provided as an offset to contributions for each telecommunications carrier could be reported by company recipient. BellSouth opposes reporting at a contract level for the same reasons discussed above in connection with schools and libraries.

### **CONCLUSION**

Monitoring the effectiveness of the universal service support programs is an important aspect of the Commission's responsibilities in implementing the universal service provisions of the Act. As it is doing through the Public Notice, the Commission should continue to review periodically its monitoring requirements.

Respectfully submitted,

**BELLSOUTH CORPORATION**

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Date: May 26, 1998




**CERTIFICATE OF SERVICE**

I do hereby certify that I have this 26<sup>th</sup> day of May 1998 served the following parties to this action with a copy of the foregoing COMMENTS by placing a true and correct copy of the same in the United States Mail, postage prepaid, addressed to the parties listed below.

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**\* VIA HAND DELIVERY**